

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Collection Agency License of: No. 10F-BD078-SBD

3 **VPC MEDICAL BILLING, LLC AND**
4 **VIRGINIA PAZ-CASTRO AND DANIEL P.**
5 **CASTRO, OWNERS**
797 North Alma School Road, Suite B4
Chandler, Arizona 85224

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**


6 Respondents.

7 The Arizona Department of Financial Institutions (the "Department") hereby finds that VPC
8 Medical Billing, LLC and Virginia Paz-Castro and Daniel P. Castro, Owners ("Respondents") have
9 violated the provisions of the Arizona Revised Statutes ("A.R.S."), Title 32 as set forth below and
10 finds that the public health, safety and welfare require emergency action pursuant to A.R.S. §§ 32-
11 1053 and 41-1092.11(B).

12 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona collection agency
13 license held by Respondents. **This suspension is effective immediately.**

14 EFFECTIVE this 16th day of December, 2009.

15 Thomas L. Wood
16 Acting Superintendent of Financial Institutions

17 By 
18 Robert D. Charlton
19 Assistant Superintendent of Financial Institutions

20 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
21 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
22 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
23 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
24 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
25 shall identify with specificity the action or order for which review is sought in accordance with
26 A.R.S. § 41-1092.03(B).

1 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
2 her own behalf or by counsel. If Respondents are represented by counsel, the information required
3 by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a
4 Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for
5 hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request**
6 **reasonable accommodations such as interpreters, alternative formats, or assistance with**
7 **physical accessibility.** Requests for special accommodations must be made as early as possible to
8 allow time to arrange the accommodations. If accommodations are required, call the Office of
9 Administrative Hearings at (602) 542-9826.

10 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
11 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
12 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
13 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
14 Department will be present (the "Department Representative"). Please note that in requesting an
15 Informal Settlement Conference, Respondents waive any right to object to the participation of the
16 Department Representative in the final administrative decision of this matter, if it is not settled. In
17 addition, any written or oral statement made by Respondents at such informal settlement conference,
18 including written documentation created or expressed solely for purposes of settlement negotiations,
19 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
20 regarding informal settlement conferences.) Conversely, any written or oral statement made by
21 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
22 Department in any subsequent hearing.

23 If Respondents do not request a hearing, this Order shall become final. If Respondents
24 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
25 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
26 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time

1 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
2 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
3 132; (3) the suspension or revocation of Respondents' license pursuant to A.R.S. § 32-1053; (4) an
4 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 32-1001, *et seq.*,
5 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or
6 proper for the enforcement of statutes and rules regulating collection agencies pursuant to A.R.S. §§
7 6-123 and 6-131.

8 **FINDINGS**

9 1. Respondent VPC Medical Billing, LLC ("VPC") is an Arizona limited liability
10 company authorized to transact business in Arizona as a collection agency, license number CA
11 0907175, within the meaning of A.R.S. §§ 32-1001, *et seq.* The nature of VPC's business is that of
12 directly or indirectly soliciting claims for collection or in collection of claims owed, due or asserted
13 to be owed or due, within the meaning of A.R.S. § 32-1001(2).

14 2. Respondent Virginia Paz-Castro ("Ms. Paz-Castro") is the Active Manager, President,
15 and fifty percent (50%) owner of VPC. Ms. Paz-Castro is authorized to transact business in Arizona
16 as a collection agent within the meaning of A.R.S. §§ 32-1001, *et seq.*

17 3. Respondent Daniel P. Castro ("Mr. Castro") is the Vice President and fifty percent
18 (50%) owner of VPC. Mr. Castro is authorized to transact business in Arizona as a collection agent
19 within the meaning of A.R.S. §§ 32-1001, *et seq.*

20 4. Respondents are required to file a financial statement, make a renewal application to
21 the Department and pay the fees prescribed in A.R.S. § 6-126 not later than January 1 of each year,
22 pursuant to A.R.S. § 32-1025(A).

23 5. Pursuant to A.R.S. § 32-1021(B)(2), Respondents are required to have a surety bond
24 deposited with the Superintendent.

25 6. On January 2, 2009, the Department received:

26 i. The Collection Agency License Renewal Application ("Renewal") for VPC,

1 signed by Mr. Castro on January 2, 2009;

2 ii. A notice from VPC, signed by Mr. Castro stating, "The financial statement for

3 VPC Medical Billing, LLC will be following, via mail"; and

4 iii. The payment for renewal of the license pursuant to A.R.S. § 6-126(C)(3).

5 7. On January 30, 2009, the Department received a copy of an e-mail sent by the
6 Department on January 6, 2009 and the financial statement for VPC. The financial statement, as of
7 December 31, 2008, reflected a negative net worth of seventeen thousand, six hundred eighty seven
8 dollars (\$17,687.00). The financial statement was signed by Mr. Castro on January 30, 2009.

9 8. On February 10, 2009, the Department sent a letter to VPC regarding the negative net
10 worth. The Department requested that VPC provide documentation and an explanation for the
11 negative net worth by March 15, 2009. The letter was returned to the Department marked as
12 "Return To Sender Attempted – Not Known Unable to Forward." The Department re-sent the letter
13 to the P.O. Box listed on Respondents' Renewal.

14 9. On March 2, 2009, the Department received a Cancellation Notice from CBIC stating
15 that VPC's surety bond, number AK0606 in the amount of fifteen thousand dollars (\$15,000.00),
16 was to be cancelled, effective March 31, 2009.

17 10. On March 2, 2009, the Department sent a letter via certified mail to Respondents, to
18 the address on record with the Department, informing them of the bond cancellation and requesting a
19 response.

20 11. On July 14, 2009, the Department sent an e-mail to Ms. Paz-Castro at the e-mail
21 address on the Renewal regarding the cancelled bond, the telephone numbers for VPC on file with
22 the Department being disconnected, and requesting the status of their business.

23 12. Respondents failed to provide any documentation regarding their net worth or any
24 evidence that VPC is solvent.

25 13. Respondents failed to provide documentation regarding the reinstatement of their
26 bond or documentation of a new surety bond.

14. Respondents do not have the required surety bond in order to conduct business as a collection agency.

15. The conduct described above constitutes an immediate threat to the public health, safety, and welfare warranting immediate suspension of Respondents' collection agency license.

16. The conduct described above constitutes grounds for the suspension of Respondents' collection agency license.

LAW

1. Pursuant to A.R.S. Title 6 and Title 32, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the collection agency business and with the enforcement of statutes, rules, and regulations relating to collection agencies.

2. By the conduct set forth in the Findings, Respondents have failed to maintain the surety bond required by A.R.S. § 32-1021(B)(2).

3. By the conduct set forth in the Findings, Respondents are insolvent, as defined by A.R.S. § 47-1201.

4. Pursuant to A.R.S. §§ 32-1053 and 41-1092.11(B), the conduct described above constitutes an immediate threat to the public health, safety and welfare warranting immediate suspension of Respondents' collection agency license.

5. Respondents have not conducted business in accordance with the law and have violated Title 32, Chapter 9, which constitute grounds for the suspension or revocation of Respondents' license pursuant to A.R.S. §§ 32-1053(A)(3) and (A)(1).

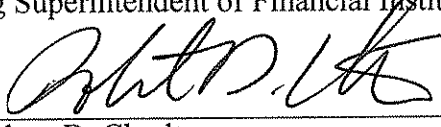
6. The violations, set forth above, constitute grounds for the pursuit of any other remedy necessary or proper for the enforcement of statutes and rules regulating collection agencies in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

7. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

1 WHEREFORE, if Respondents do not request a hearing to contest the above Findings or
2 produce evidence of a valid surety bond, Respondents' license shall remain suspended unless and
3 until reinstated or until said license expires by operation of law.

4 DATED this 16th day of December, 2009.

5 Thomas L. Wood
6 Acting Superintendent of Financial Institutions

7 By 
8 Robert D. Charlton
9 Assistant Superintendent of Financial Institutions

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14 ORIGINAL of the foregoing filed this 16th
15 day of December, 2009, in the office of:

16 Thomas L. Wood
17 Acting Superintendent of Financial Institutions
18 Arizona Department of Financial Institutions
19 ATTN: Susan Longo
20 2910 N. 44th Street, Suite 310
21 Phoenix, AZ 85018

22 COPY mailed/delivered same date to:

23 Erin O. Gallagher, Assistant Attorney General
24 Attorney General's Office
25 1275 West Washington
26 Phoenix, AZ 85007

27 Richard Fergus, Licensing Division Manager
28 Robert D. Charlton, Assistant Superintendent
29 Arizona Department of Financial Institutions
30 2910 N. 44th Street, Suite 310
31 Phoenix, AZ 85018

1 AND COPY MAILED SAME DATE, by
2 Certified Mail, Return Receipt Requested to:

3 Virginia Paz-Castro, President
4 Daniel P. Castro, Vice President
5 VPC Medical Billing, LLC
6 797 N. Alma School Rd., Ste. B4
7 Chandler, AZ 85224
8 Respondents

9 VPC Medical Billing, LLC
10 Virginia Paz-Castro, Active Manager
11 P.O. Box 7118
12 Chandler, AZ 85246

13 Dan Castro, Statutory Agent for:
14 VPC Medical Billing, LLC
15 2740 S. Nolina Pl.
16 Chandler, AZ 85248

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